

**Vermont Health Care Innovation Project
Payment Models Work Group
(Formerly ACO Standards Work Group)
Work Group Charter**

EXECUTIVE SUMMARY

Garner public-private input on programs testing and implementation of three payment models. The payment models to be tested include Pay for Performance (P4P), Episodes of Care (Bundled Payments) and the Shared Savings Program Accountable Care Organization (SSP-ACO) Model.

PURPOSE/PROJECT DESCRIPTION

This group will build on the work of the ACO standards work group to date and:

- Continue to develop and recommend standards for the commercial shared savings ACO (SSP-ACO) model
- Continue to develop and recommend standards for the Medicaid SSP-ACO model
- Develop and recommend standards for both commercial and Medicaid episode of care models
- Develop and recommend standards for additional pay-for-performance models
- Review the work of the duals demonstration work group on payment models for dual eligibles
- Recommend mechanisms for assuring consistency and coordination across all payment models
- Coordinate with other work groups, particularly the care models work group and the quality and performance work groups
- In developing standards, strive to ensure that the payment models implemented under the SIM grant enable the transformation of care delivery, improve the quality of health care delivery, improve patient experience of care, reduce the rate of growth of health care costs, and maintain the financial viability of the state's health care system
- Serve as the nexus for coordinating evaluation and next steps for all proposed state payment models
- Sub-groups will address risk adjustment, patient protections and appeals
- All actions will be advisory to the SIM Steering Committee and SIM Core Team

Scope of Work

Work Group Objectives/Success Criteria

Objectives should be SMART: Specific, Measurable, Attainable, Realistic and Time-bound. The work group must be able to track these objectives in order to determine if the project is on the path to success. Vague and unrealistic objectives make it difficult to measure progress and success. The objectives will feed into the work plan.

PROJECT JUSTIFICATION

Adapted from Section P of the SIM Operations Plan; only reflects the workgroup role and more recent updates.

This section describes Vermont’s plans for completing the “model testing” proposed in our grant application – plans for implementation of payment models that are alternatives to fee-for-service and related health system innovations, including timelines for implementation and metrics for gauging progress.

The State has developed a project plan for testing and implementation of three payment models through 2016. The payment models to be tested include Pay for Performance (P4P), Episodes of Care (Bundled Payments) and the Shared Savings Program Accountable Care Organization (SSP-ACO) Model. More detailed plans and timelines are provided in attachments to the operations plan.

Episodes of Care Payment Model

There is growing evidence that the quality of care of some acute and chronic conditions can be greatly improved by developing a collaborative Episodes of Care (EOC) or "Bundled Payments" program. By providing a forum and data analytics, identifying an “accountable provider(s)” and including financial incentives, providers will have the tools to come together to transform care for certain EOCs thereby increasing quality and reducing variation in cost. After providers improve care and achieve efficiencies, payers may choose to implement a bundled payment for these episodes, which introduces downside performance risk in addition to rewarding good performance.

The SIM Payment Models Work Group will provide key input and make actionable recommendations on the details of the EOC program. Beginning in December the Work Group will provide guidance on the following key elements of the program:

- Defining Objectives of the EOC Program
- Defining the Criteria that will be used to Select Episodes
- Creating Episode Specifications
- Format for Year One of the EOC Program
- Defining Transition Plan to Bundled Payment
- Defining Process for Evaluating and Adding New EOCs

The goal of the Work Group will be to develop a consistent approach, have statewide support, and present opportunities for expansion to multiple sites. The Work Group will develop recommendations for both commercial and Medicaid EOCs. Vermont would expect that EOC initiatives would be considered throughout the 3 year SIM testing phase, and that a structured approach to considering specific EOCs will be developed by the Work Group with recommendations to the GMCB and the SIM Steering Committee for review and approval.

The Work Group will begin discussions of the EOCs in December 2013 and will recommend the implementation of at least three or more EOCs on a broad state-wide basis by Spring 2014. Year One October 1, 2014. This implementation will complement and be done in conjunction with other payment models such as an accountable care organization (ACO).

Shared Savings Accountable Care Organization Model

Vermont has proposed testing a Shared Savings ACO with commercial payers and Medicaid. Vermont providers already have organized ACOs to respond to the Medicare SSP-ACO program, and our testing will utilize those organizations that are willing, as well as any others that form and meet our programmatic guidelines, for an expansion to other payers.

The Work Group's recommendations to date and plans for further work to design and implement the Commercial and Medicaid ACOs are described below.

In addition, the Work Group has made recommendations regarding most elements of the model design, including standards for:

- ACO structure, including financial stability, primary care capacity and patient freedom of choice
- ACO payment methodology, including attribution, covered services, calculation of financial performance and risk adjustment
- ACO management, including alignment of provider payment with the ACO model and distribution of savings

The Work Group has referred two other issues – alignment of care management programs and data use standards – to other SIM work groups.

Pay-for-Performance Payment Model

A. Medicaid Pay-for-Performance Model Development and Implementation

Starting in SFY15, Medicaid plans to use the new annual funds to create a quality pool to fund the P4P programs created. The development of the Medicaid P4P models will leverage the SIM Payment Models Work Group (a reconstitution of the ACO standards work group) and Steering Committee to garner public-private input on Medicaid's P4P programs.

Medicaid plans to hire some contracting resources to assist with the development of its P4P plan in late 2013 followed by discussions of the P4P models within the Work Groups and Steering Committee to occur in the first quarter of 2014.

DELIVERABLES

Standardized set of rules for a Commercial and Medicaid ACO program, standardized rules for the episodes of care and subsequent bundled payments and standardized rules for pay-for-performance models. The areas for potential standards development are as follows:

SUMMARY MILESTONES

TBD

MEMBERSHIP REQUIREMENTS

Members of the Work Group are expected to be active, respectful participants in meetings; to consult with constituents, clients, partners and stakeholders as appropriate to gather input on specific questions and issues between meetings; and to alert SIM leadership about any actual or perceived conflicts of interests that could impede their ability to carry out their responsibilities. Selection is by invitation of self-nomination.

PARTICIPANT LIST (as of November 2013)

M	Member
C	Chair
MA	Member Assistant
S	Staff/Consultants
X	Interested Parties

Last Name	First Name	Title	Organization
George	Don	President and CEO	Blue Cross Blue Shield of Vermont
Rauh	Stephen		GMC Advisory Board
Austin	Carmone		MVP Health Care
Bailey	Melissa	Director of Integrated Family Services	AHS - Central Office
Barrett	Susan	Director of Vermont Public Policy	Bi-State Primary Care
Bushey	Heather	CFO	Planned Parenthood of Northern New England
Cioffi	Ron	CEO	Rutland Area Visiting Nurse Association & Hospice
Curtis	Michael	Director of Child, Youth & Family Services	Washington County Mental Health Services Inc.
DelTrecco	Mike		Vermont Association of Hospital and Health Systems
Fulton	Catherine	Executive Director	Vermont Program for Quality in Health Care
Giard	Martita		OneCare Vermont

Gobeille	Al	Chair	GMCB
Goetschius	Larry	CEO	Addison County Home Health & Hospice
Grause	Bea	President	Vermont Association of Hospital and Health Systems
Guillett	Lynn		OneCare Vermont
Harrington	Paul	President	Vermont Medical Society
Hill	Bard	Director - Policy, Planning & Data Unit	AHS - DAIL
Hogue	Nancy	Director of Pharmacy Services	AHS - DVHA
Jones	Craig	Director	AHS - DVHA
King	Sarah	CFO	Rutland Area Visiting Nurse Association & Hospice
Lange	Kelly	Director of Provider Contracting	Blue Cross Blue Shield of Vermont
Little	Bill	Vice President	MVP Health Care
Mauro	James		Blue Cross Blue Shield of Vermont
McDowell	Sandy		Vermont Information Technology Leaders
McGuire	Sandy	CFO	HowardCenter for Mental Health
Moore	Todd	CEO	OneCare Vermont
Pitts	Tom	CFO	Northern Counties Health Care
Real	Lori		Bi-State Primary Care
Reiss	Paul	Executive Director,	Accountable Care Coalition of the Green Mountains
Richardson	Lila	Staff Attorney	Vermont Legal Aid
Schapiro	Howard	Interim President	University of Vermont Medical Group Practice
Seelig	Rachel	Attorney	Vermont Legal Aid
Stout	Ray	Mental Health & Health Care Integration Liaison	AHS - DMH
Walters	Barbara	Chief Medical Director	OneCare Vermont
Zura	Marie	Director of Developmental Services	HowardCenter for Mental Health
Bassford	Anna		GMCB
Carbonneau	Gisele		HealthFirst
Fargo	Audrey	Administrative Assistant	Vermont Program for Quality in Health Care
Fischer	Cyndy		OneCare Vermont
Hall	Janie	Corporate Assistant	OneCare Vermont
Lee	McKenna		
McGrath	Alexa		Blue Cross Blue Shield of Vermont
Bailit	Michael	President	Bailit-Health Purchasing
Bazinsky	Kate	Senior Consultant	Bailit-Health Purchasing
Cooper	Alicia	Quality Oversight Analyst	SIM - AHS - DVHA
Cummings	Diane	Financial Manager II	SIM - AHS
Flynn	Erin	Health Policy Analyst	SIM - AHS - DVHA
Geiler	Christine	Grant Manager & Stakeholder Coordinator	SIM - GMCB

Lamothe	Nelson	Senior Associate	UMASS
Maheras	Georgia		SIM - AOA
Paumgarten	Annie	Evaluation Director	SIM - GMCB
Poirer	Luann	Administrative Services Manager I	SIM - AHS - DVHA
Reeves	Ann	Senior Policy Advisor	SIM - AHS - DVHA
Sales	George		UMASS
Slusky	Richard	Payment Reform Director	SIM - GMCB
Suter	Kara	Director of Payment Reform	SIM - AHS - DVHA
Wallack	Anya	Chair	SIM Core Team Chair
Weppler	Spenser	Health Care Reform Specialist	GMCB
Backus	Ena	Health Care Reform Specialist	GMCB
Berman	Abe		OneCare Vermont
Collins	Lori	Deputy Commissioner	AHS – DVHA
Donofrio	Michael	General Council	GMCB
Giffin	Jim	CFO	AHS - Central Office
Hall	Heidi	Financial Director	AHS – DMH
Hall	Thomas		
Hathaway	Carrie	Financial Director III	AHS – DVHA
Hickman	Selina	Policy Director	AHS – DVHA
Hindes	Churchill	COO	OneCare Vermont
Hogan	Con	Board Member	GMCB
Jones	Pat	Health Care Project Director	GMCB
Kelley	Kevin	CEO	CHSLV
Kerr	Trinka	Health Care Ombudsman	Vermont Legal Aid
Lovejoy	Nick	Analyst and Data Manager	AHS – DVHA
Martini	David		AOA – DFR
McCaffrey	Marybeth	Principal Health Reform Administrator	AHS – DAIL
Reynolds	David		AOA
Sirota	Ted	CFO	Northwestern Medical Center
Tanzman	Beth	Assistant Director of Blueprint for Health	AHS – DVHA
Wasserman	Julie	VT Dual Eligible Project Director	AHS - Central Office

RESOURCES AVAILABLE FOR STAFFING AND CONSULTATION

Work Group Chairs: Stephen Rauh, Don George

Work Group Staff: Richard Slusky, Kara Suter

Consulting Support: Bailit Health Purchasing. Possibility of additional support available to the work group.

WORK GROUP PROCESSES:

1. The Work Group will regularly meet twice per month – teleconferencing utilized
2. The Work Group Co-Chairs plan and distribute the meeting agenda through project staff.
3. Related materials are to be sent to Work Group members, staff, and interested parties prior to the meeting date/time.
4. Work Group members, staff, and interested parties are encouraged to call in advance of the meeting if they have any questions related to the meeting materials that were received.
5. Minutes will be recorded at each meeting
6. The Work Group Co-Chairs will preside at the meeting.
7. Progress on the Work Group's work will be reported as the Monthly Status Report.
8. The Work Group's Status Reports and Recommendations are directed to the Steering Committee.

AUTHORIZATION

_____ **Date:** _____

Project Sponsor/Title